



Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner
Mack A. Redford, Commissioner
Marsha H. Smith, Commissioner

Case No. ORE-T-14-01, Order No. 33115
Contact: Gene Fadness (208) 334-0339, 890-2712
www.puc.idaho.gov

Oregon-Idaho Utilities seeks telephone rate increase

BOISE (Sept.30, 2014) – The Idaho Public Utilities Commission is taking comment through Oct. 9 on an application by Oregon-Idaho Utilities to phase in a telephone rate increase for the telecommunications company's approximate 81 customers in a telephone exchange in rural southwest Idaho.

If approved, customers' monthly rate of \$15.77 will increase to \$20, but that increase will be phased in over four years. The company has not increased its Idaho residential rate since 1990.

The increase is required by the Federal Communications Commission if the company wants to continue to receive federal high-cost support from the FCC's Connect American Fund (CAF). The FCC created the Connect America Fund to spur development of cellular broadband in rural areas. The fund is an update of the federal Universal Service Fund created in 1988 to make telephone service available at reasonable cost in rural areas.

In order to qualify to receive the federal support, the FCC established a minimum rate of \$20.46 that local companies must charge their customers. Oregon-Idaho Utilities proposes to increase that rate to \$16 on Dec. 1, 2014; then to \$18 on June 1, 2016; and finally to \$20 on June 1, 2017. That \$20, combined with other state fees, will increase residential services to beyond the \$20.46 "rate floor" established by the FCC. If Oregon-Idaho Utilities chooses not to increase its rate it would receive a reduction in the federal support.

The federal support helps rural companies provide service in areas where greater distances and fewer customers make providing service more costly than in urban areas. The South Mountain Exchange served by Oregon-Idaho Utilities covers 2,126 square miles and represents some of the most difficult to serve customer locations in southwest Idaho. About one-third of the customers have no access to commercial power and rely on gas lamps, lanterns and/or low-grade solar power for lighting. Some homes are heated by wood or oil-burning stoves.

All Idaho telephone customers, including cellular customers, pay into the Connect America Fund so that rates in rural, high-cost can stay comparable to urban rates. The monthly assessment for all Idaho telephone and cellular users is 16 cents per residential line, 25 cents per commercial line and \$.006 per intrastate long-distance billed minute.

Comments are accepted via e-mail through Oct. 9, 2014, by accessing the commission's Website at www.puc.idaho.gov and clicking on "Case Comment Form," under the "Telecom" heading. Fill in the case number (ORE-T-14-01) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

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